



**STATE
REPRESENTATIVE
JIM MCINTIRE
46TH DISTRICT**



A REPORT FROM YOUR LEGISLATURE

May 2004

Dear Friends,

After one of the most painful Legislative sessions in decades in 2003, the work of the 2004 Legislative session was something of a relief. With a slight improvement in revenues, we were able to:

- roll back some of the scheduled increases in children's health insurance,
- keep health benefit costs for teachers and faculty from rising,
- make improvements to the WASL and education funding,
- fund the home care workers' collective bargaining agreement, and
- renew tax incentives for high tech and biotech research and development – a critical step in rejuvenating the Seattle-area economy.

Perhaps the most contentious issue of the session was the enactment of a new state primary, replacing our "blanket primary" that was ruled unconstitutional by the courts. This measure was partially vetoed by Governor Locke, leaving in place a new primary that will look and feel very different to voters next September.

When the Legislature convened in January, we knew we'd face a wide variety of issues in our 60-day meeting. Clearly, the underlying themes from the 2004 session were economic development, health care, and education. These issues involve, one way or another, every Washington resident, family, and business.

I hope you continue to raise your concerns and questions with me. I look forward to your comments about state government and the future of our great state.

Thank you for your interest in the process!

Respectfully,

Jim McIntire
State Representative
46th Legislative District

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A REPORT FROM *YOUR LEGISLATURE*

ECONOMIC DEVELOPMENT:

***TAX INCENTIVES, WITH
STRONG ACCOUNTABILITY,
HELP ENSURE QUALITY JOBS
FOR SEATTLE'S ECONOMIC
RECOVERY.***

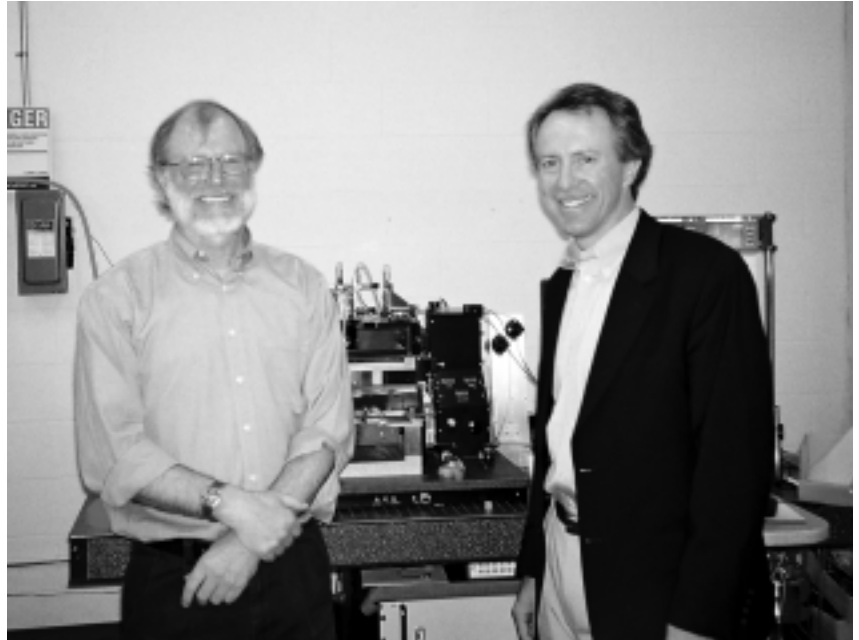
During the last two years, the Seattle-area economy lost 100,000 jobs while the rest of the state gained 30,000 jobs.

So we came into this session committed to building jobs. Quality jobs.

Five weeks after the Legislature convened, we approved legislation — which I sponsored on behalf of the Governor — to tighten, target, and extend tax incentives for high-tech and biotech, research-and-development investments.

Evaluations by the Department of Revenue and the University of Washington offered clear and convincing evidence that these incentives are a major factor in creating good-paying jobs in the Seattle-area economy. These jobs are heavily concentrated in Seattle and King County. Tax deferrals are also included for research facilities operated by the universities — and the business-and-occupation tax is reduced for small companies.

Accountability is a fundamental component in this measure. For the first time in Washington history, the public will know who receives these incentives and how much they benefit. We want to make sure the incentives are actually doing the job: strengthening businesses *and* putting people to work. If we could make all tax incentives as productive as these, we'd have more jobs and more revenue!



Rep. McIntire meets with Ger van den Engh, founder and President of Cytopeia, a UW spin-off company that manufactures the high speed, high precision Influx cell sorter used for bio engineering research. Cytopeia, started in 2000 with 3 persons, now has 18 employees and is located in Lake City. This promising business was assisted by the tax incentives recently renewed by the Legislature.

SUPPLEMENTAL BUDGET

SMALLER BUDGET FILLS HOLES

Last year, we bridged a \$2.7-billion budget chasm primarily by imposing spending cuts — with no general increases in taxes. The economy is slowly improving and this year's supplemental-budget challenge was less intimidating.

A supplemental budget is written in the years between the much larger biennial (two-year) operating budget. The smaller document is designed to take care of unanticipated demands, such as an increase in school-enrollment, a larger prison population, and a growing need for social services.

The new budget addresses these unforeseen demands — again without relying on any tax hikes. We've also been able to incorporate a solid reserve in the budget. I'll talk more about some of the budget-specifics in the following sections.

HEALTH CARE:

BASIC MEDICAL COVERAGE IS A FUNDAMENTAL PART OF BUDGET

The budget we adopted eliminates the premiums for many children in the Medicaid health-care program. These premiums, enacted last year during the budget crisis, are canceled for families whose incomes are less than 150 percent of the federal poverty level (for a family of three, that would be \$23,000 a year). This will ensure better health care for children, and will save taxpayers, hospitals and other providers millions of dollars in uncompensated expenses when uninsured families show up for emergency care.

Funding was also included for Washington hospitals taking care of uninsured or medically indigent patients – again, making up for last year's cuts. Along the same line, the supplemental budget provides more money for our state's community clinics, and stabilizes long-term-care facilities caring for elderly citizens and disabled citizens.

Our budget funds the collective bargaining agreement with home-care workers, providing a much-deserved pay increase and health-care benefits for these women and men who do some of our society's most important work in caring for the elderly and those with disabilities.

We also approved a bill to help small firms purchase health insurance by allowing insurance companies to market an "economy plan." The more we can encourage our businesses to offer at least some health benefits, the better off our citizens, and our budget, will be.



NEW PRIMARY:

VOTERS MUST CHOOSE A BALLOT

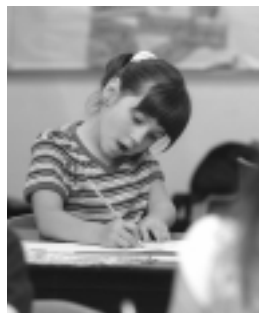
Under the new state primary system, voters must choose only one party's ballot to cast in the primary next September. Contrary to the wishes of both political parties, this choice will remain private and confidential.

EDUCATION:

OUR EFFORT TO CREATE WORLD-CLASS SCHOOLS, WITH CLEAR AND CONSISTENT STANDARDS, IS ALWAYS A WORK IN PROGRESS.

No less than taxes and health care, education is always an important part of building a strong economy, and society. After our families, our schooling is what most tells the kind of adults we become.

The budget we passed near the end of this year's session includes funding to strengthen reading and mathematics skills. Funding reforms ensured that schools whose students demonstrate improvements won't face the Catch-22 of actually *losing* state funds that are channeled through the Learning Assistance Program. In addition, school districts are authorized to bolster their levy capacity – provided the local voters go along with the proposal. These changes should mean another \$12 million for the Seattle School District over the next three years.



Revisions were also made in the Washington Assessment of Student Learning (WASL) so that high-school students have a more reasonable opportunity to pass these demanding new graduation requirements. A limited number of Washington communities will also be able to set up a public charter school as a way to best serve diverse student needs in struggling schools, but only if approved by the local school board or the state Superintendent of

Public Instruction. This pilot program is much smaller than past initiatives, and is more carefully crafted to protect the best interests of students, parents and teachers, drawing on the best practices from similar experiments in 40 other states.

HIGHER EDUCATION REMAINS KEY

The 2004 Legislative Session was also positive for our nearly three-dozen colleges and universities.

We approved additional funding to increase enrollments in our four-year universities, particularly in high-demand fields such as health care, biotechnology, and the various high-tech industries.

Additional financial assistance is made available for hard-working students whose families don't have enough money for tuition.

Our economy is becoming increasingly knowledge-based. The high tech and biotech business leaders stress the need for providing the well-educated, highly-skilled employees they need to grow and prosper in Washington. While our budget takes some modest steps in that direction, higher education opportunities for the growing numbers of high school graduates are still falling behind. Meeting that challenge will remain a priority for me.





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DISAPPOINTMENTS:

WE DID LEAVE SOME WORK TO DO IN THE NEXT LEGISLATURE

Although we did have a successful, short session, some very good House Democratic bills were sent to the Republican Senate – and died there. Among the biggest disappointments of the session:

- **Medical malpractice** – we passed a package of bills that would have increased patient safety, helped stabilize malpractice insurance rates, and improved our civil justice system. Included in that package was **\$30 million** for reimbursements to ob/gyns and emergency room physicians. The Senate refused to pass any of them.
- **Simple majority** – once again, we thought voters should be allowed to decide if school levies ought to be approved by a simple majority instead of the current supermajority. Once again, the Senate killed it.
- **Mental health parity** – we think treatment of mental illness is important and ought to be covered by health care plans.

- **Prescription drugs from Canada** – the same drugs we buy — and often develop — in this country are available at much lower prices across the border. We wanted to give people the choice, but the Senate refused.
- **Offshoring study** – Americans are very concerned about the offshoring of their jobs. We wanted a task force to look at the issue in Washington state and report back to the Legislature.
- **Civil rights** – we simply think making it illegal to discriminate against a person because of their sexual orientation is the right thing to do. The Senate disagreed.
- **Citizen commission to audit tax exemptions** – like last year, the House passed a measure I sponsored creating a citizens commission to conduct performance audits of tax exemptions, but the Senate refused to even give the idea a hearing. We believe it is time to take tax policy out of from under the dark cloud of backroom deals and expose it to the bright sunshine of regular review and careful analysis.

These, of course, are just some of next year's challenges!

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STATE REPRESENTATIVE

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